



Montana Environmental Trust Group LLC,
Trustee of the Montana Environmental Custodial Trust
By Greenfield Environmental Trust Group, Inc., Member
P.O. Box 1189 Helena, Montana 59624
Telephone: (406)457-2142
Email: jr@g-etg.com

November 21, 2017

By Electronic Mail

For the State of Montana

Jenny Chambers/Katherine Hausrath/ Russ Rowsey
Montana Department of Environmental Quality

Harley Harris/Greg Mullen
Montana Department of Justice

For the United States

Alan Tenenbaum/Bob Brook
Environmental Enforcement Section Environment &
Natural Resources Div. U. S. Department of Justice

Steve Moores
Senior Attorney US EPA Region 8 (ENF-L)

Deb Thomas
Deputy Regional Administrator
US EPA Region 8—Montana Office

Dana Jacobsen
Department of the Interior Office of the Solicitor

Amy L. Horner
Department of the Interior Environmental
Restoration Branch Division of Parks and Wildlife
Office of the Solicitor

Robert Kirkpatrick
Deputy Director, Engineering, Fleet, Geospatial
Services & Sustainable Operations USDA Forest
Service

Subject: Third Quarter 2017 Financial Statements

As Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Montana Environmental Trust Group LLC, hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account;
- (4) The Black Pine Cleanup Account; and
- (5) The Iron Mountain Cleanup Account

The attached financial statements cover the quarter and period ended September 30, 2017 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

Montana Environmental Trust Group, LLC
Trustee of the Montana Environmental Custodial Trust
By: Greenfield Environmental Trust Group, Inc., Member



Name: Jennifer Roberts
Title: Financial Affairs Manager

Enclosure

cc: Betsy Burns—EPA-8
Cynthia Brooks—Greenfield
Joel Chavez - MDEQ
Lauri Gorton—Greenfield
Denise Martin - MDEQ
Nathan McCarthy— Wipfli
Melody McDonough - Greenfield
Justin Mosness—Wipfli
Daryl Reed - MDEQ
Robert Roll - MDEQ
Joe Vranka—EPA-8
Marc Weinreich—Greenfield



Wipfli LLP
P.O. Box 1699
Helena, MT 59624
910 North Last Chance Gulch
Helena, MT 59601
406.442.5520
fax 406.443.1017
www.wipfli.com

Accountant's Compilation Report

To the Trustees and Beneficiaries
Montana Environmental Trust Group LLC
Trustee for the Montana Environmental Custodial Trust
Helena, MT

The Trustees are responsible for the accompanying special purpose financial statements of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Complex Cleanup Account, the Black Pine Cleanup Account and the Iron Mountain Cleanup Account (collectively the Custodial Trust), which comprise the statement of financial position as of September 30, 2017 and the related statements of activities for the quarter and period then ending and for determining that the special purpose basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the special purpose basis of accounting in accordance with the requirements of the Trust's obligations under ¶6.1 of the Environmental Response Trust Agreement, which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in special purpose financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the special purpose financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, net assets, additions, and deductions. Accordingly, the special purpose financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Black Pine Mine Custodial Trust Expense Tracking supplementary information is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Montana Environmental Trust Group LLC.

Wipfli LLP

Wipfli LLP
November 21, 2017
Helena, MT

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2017

ASSETS

Current assets

Cash, First Interstate Bank	\$ 84,708.21
Due from other cost centers	<u>28,836.88</u>
Total current assets	113,545.09

Investments, Pershing Advisory Solutions

5,888,358.76

Total assets

\$ 6,001,903.85

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 80,405.18
Due to other cost centers	<u>-</u>
	80,405.18

Net assets

5,921,498.67

Total net assets and liabilities

\$ 6,001,903.85

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Investment income, net of fees	\$ 23,272.06	\$ 65,664.42			
Unrealized gains (losses)	(3,978.83)	5,511.72			
Total revenues (losses)	19,293.23	71,176.14			
Expenses:					
1.A Financial Affairs					
1.A.1 Outside Financial Services	7,410.92	25,597.53	\$ 33,000.00	\$ (7,402.47)	77.57%
1.A.2 Audit	3,845.00	6,612.00	144,090.00	(137,478.00)	4.59%
1.A Financial Affairs Total	11,255.92	32,209.53	177,090.00	(144,880.47)	18.19%
1.C Property Taxes					
1.C.1 East Helena	-	43,919.64	124,800.00	(80,880.36)	35.19%
1.C.2 UBMC-Mike Horse	-	1,794.16	4,300.00	(2,505.84)	41.72%
1.C.3 Black Pine	-	1,567.40	7,300.00	(5,732.60)	21.47%
1.C.4 Iron Mountain	-	131.93	400.00	(268.07)	32.98%
1.C Property Taxes Total	-	47,413.13	136,800.00	(89,386.87)	34.66%
1.F Site Security					
1.F.1 East Helena	6,387.00	23,402.62	50,900.00	(27,497.38)	45.98%
1.F.2 UBMC-Mike Horse	531.25	2,468.62	9,400.00	(6,931.38)	26.26%
1.F.3 Black Pine	5,123.03	14,579.18	20,900.00	(6,320.82)	69.76%
1.F.4 Iron Mountain	-	-	1,400.00	(1,400.00)	0.00%
1.F Site Security Total	12,041.28	40,450.42	82,600.00	(42,149.58)	48.97%
1.G Insurance					
1.G.1 Commercial General Liability	-	46,237.50	52,000.00	(5,762.50)	88.92%
1.G.2 Vehicle-Equipment Insurance	7,181.00	7,181.00	11,900.00	(4,719.00)	60.34%
1.G.3 Property Insurance	-	16,385.62	19,400.00	(3,014.38)	84.46%
1.G Insurance Total	7,181.00	69,804.12	83,300.00	(13,495.88)	83.80%

See Accountant's Compilation Report

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	-	507.00	3,500.00	(2,993.00)	14.49%
1.H.3 GETG Professional Fees	1,970.00	11,211.00	15,500.00	(4,289.00)	72.33%
1.H.4 Water Rights	628.00	5,642.00	10,400.00	(4,758.00)	54.25%
1.H Trust Legal Affairs Total	2,598.00	17,360.00	29,400.00	(12,040.00)	59.05%
1.I Unpatented Mining Claims					
1.I.1 Fees for Unpatented Mining Claims	52,445.61	52,445.61	54,700.00	(2,254.39)	95.88%
1.I.2 Disposition of Unpatented Mining Claims	-	4,787.00	16,920.00	(12,133.00)	28.29%
1.I Unpatented Mining Claims Total	52,445.61	57,232.61	71,620.00	(14,387.39)	79.91%
1.K Property Sales					
1.K.1 East Helena	15,114.00	66,531.00	97,950.00	(31,419.00)	67.92%
1.K.2 UBMC-Mike Horse	470.00	470.00	1,700.00	(1,230.00)	27.65%
1.K.4 Iron Mountain	-	-	1,700.00	(1,700.00)	0.00%
1.K Property Sales Total	15,584.00	67,001.00	101,350.00	(34,349.00)	66.11%
1.L Trustee Costs					
1.L.1 Trustee Fees	7,888.00	20,458.00	26,700.00	(6,242.00)	76.62%
1.L.2 Trustee Expenses	50.00	50.00	1,500.00	(1,450.00)	3.33%
1.L Trustee Costs Total	7,938.00	20,508.00	28,200.00	(7,692.00)	72.72%
Total expenses	109,043.81	351,978.81	710,360.00	\$ (358,381.19)	49.55%
Change in net assets	(89,750.58)	(280,802.67)	\$ (710,360.00)		
Net assets, beginning of period	6,011,249.25	6,202,301.34	(1)		
Net assets, end of period	\$ 5,921,498.67	\$ 5,921,498.67			

(1) 12/31/2016 Net Assets restated by \$799.25 for expenses incurred in 2016 but not received and recorded until after distribution of 2016 financial statements

Montana Environmental Custodial Trust

East Helena Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2017

ASSETS

Current assets

Cash, First Interstate Bank	\$ 621,153.05
Accounts receivable	-
Due from other cost centers	-
Total current assets	<u>621,153.05</u>

Investments, Pershing Advisory Solutions

50,124,856.48

Total assets

\$ 50,746,009.53

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 412,530.59
Retention hold-back payable	<u>520,254.03</u>
Total current liabilities	<u>932,945.74</u>

Net assets

49,813,063.79

Total net assets and liabilities

\$ 50,746,009.53

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget*	Variance	Percentage of Budget
Revenues:					
Income					
Agricultural Tenants	\$ -	\$ -			
Sale of Assets	-	-			
Slag Pile	-	131,917.00			
Income Total	-	131,917.00			
Investment activity, net of fees	155,802.83	829,883.33			
Unrealized gains (losses)	201,687.14	405,150.28			
Total revenues (losses)	357,489.97	1,366,950.61			
Expenses:					
2.B · General Site Operations					
2.B.1 · Operations & Maintenance	3,829.77	20,811.61	\$ 59,500.00	\$ (38,688.39)	34.98%
2.B.2 · Office Operations	210.21	1,234.64	5,000.00	(3,765.36)	24.69%
2.B.3 · Safety	247.50	3,969.16	14,100.00	(10,130.84)	28.15%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Site Office	1,098.97	7,491.47	9,500.00	(2,008.53)	78.86%
Total 2.B · General Site Operations	5,386.45	33,506.88	108,100.00	(74,593.12)	31.00%
2.C · Waste Disposal					
2.C.3 · Other	-	-	6,300.00	(6,300.00)	0.00%
Total 2.C · Waste Disposal	-	-	6,300.00	(6,300.00)	0.00%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%
2.E · Tenants					
2.E.4 · Other	-	-	5,700.00	(5,700.00)	0.00%
Total 2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	-	-	2,000.00	(2,000.00)	0.00%
2.F.5 · CAMU O&M/Leachate Collection and Disposal	8,958.49	18,856.02	208,300.00	(189,443.98)	9.05%
2.F.7 · CAMU Leachate Design and Construction	3,758.25	6,435.61	354,000.00	(347,564.39)	1.82%
Total 2.F · RCRA Compliance	12,716.74	25,291.63	566,300.00	(541,008.37)	4.47%
2.I · Risk Assessment					
2.I.1 · HHRA	-	968.22	25,000.00	(24,031.78)	3.87%
2.I.2 · BERA	939.06	939.06	25,000.00	(24,060.94)	3.76%
Total 2.I · Risk Assessment	939.06	1,907.28	50,000.00	(48,092.72)	3.81%

See Accountant's Compilation Report

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget*	Variance	Percentage of Budget
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	-	-	289,000.00	(289,000.00)	0.00%
2.J.1b · SPHC IM Construction	85,690.38	503,176.11	603,500.00	(100,323.89)	83.38%
2.J.1 · SPHC IM Design & Construction	85,690.38	503,176.11	892,500.00	(389,323.89)	56.38%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	-	-	16,500.00	(16,500.00)	0.00%
2.J.2b · ET Cover IM Construction	-	6,700.81	16,000.00	(9,299.19)	41.88%
2.J.2 · ET Cover IM Design & Construction	-	6,700.81	32,500.00	(25,799.19)	20.62%
2.J.4 · IM/RCRA Support					
2.J.4b · Corrective Measures Study	16,261.35	88,768.24	130,900.00	(42,131.76)	67.81%
2.J.4 · IM/RCRA Support	16,261.35	88,768.24	130,900.00	(42,131.76)	67.81%
2.J.6 · Corrective Measure Implementation					
2.J.6a · CMI Work Plan	-	-	150,000.00	(150,000.00)	0.00%
2.J.6b · Final Remedy Construction/Implementation	-	-	-	-	0.00%
2.J.6c · Corrective Measures O&M	34,421.88	60,084.58	550,500.00	(490,415.42)	10.91%
2.J.6d · 2017 CAMP/Performance Monitoring	65,050.73	161,880.28	415,300.00	(253,419.72)	38.98%
2.J.6e · Long term Technical Planning/Support	3,466.73	11,697.67	50,000.00	(38,302.33)	23.40%
2.J.6f · Residential Well Abandonment	-	-	176,000.00	(176,000.00)	0.00%
2.J.6 · Design Management/Execution	102,939.34	233,662.53	1,341,800.00	(1,108,137.47)	17.41%
Total 2.J · RCRA Corrective Action Implementation	204,891.07	832,307.69	2,397,700.00	(1,565,392.31)	34.71%
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	21,300.00	(21,300.00)	0.00%
2.K.2 · System Maintenance	2,268.15	8,216.90	18,000.00	(9,783.10)	45.65%
Total 2.K · Documents & Records	2,268.15	8,216.90	39,300.00	(31,083.10)	20.91%
2.M · CERCLA Compliance	1,526.25	6,275.12	34,400.00	(28,124.88)	18.24%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	6,020.63	20,550.18	30,000.00	(9,449.82)	68.50%
Total 2.N · Financial Affairs	6,020.63	20,550.18	30,000.00	(9,449.82)	68.50%

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget*	Variance	Percentage of Budget
2.O · Redevelopment					
2.O.2 · Redevelopment Support	-	2,508.00	10,000.00	(7,492.00)	25.08%
2.O.3 · Redevelopment Issues	-	-	5,000.00	(5,000.00)	0.00%
Total 2.O · Redevelopment	-	2,508.00	15,000.00	(12,492.00)	16.72%
2.P · Community Relations					
2.P.1 · General Meetings	-	-	3,000.00	(3,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	-	3,000.00	(3,000.00)	0.00%
2.P.3 · East Helena Website	-	-	7,500.00	(7,500.00)	0.00%
2.P.5 · Other Community Relations	-	4,975.00	25,000.00	(20,025.00)	19.90%
Total 2.P · Community Relations	-	4,975.00	38,500.00	(33,525.00)	12.92%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	475.00	665.00	15,000.00	(14,335.00)	4.43%
2.R.2 · In-House Legal Services	7,758.43	25,403.93	41,200.00	(15,796.07)	61.66%
Total 2.R · Legal Support Total	8,233.43	26,068.93	56,200.00	(30,131.07)	46.39%
2.T · Trustee Management & Support					
2.T.4 · GW and PPC Project Management	9,998.50	38,159.61	56,000.00	(17,840.39)	68.14%
2.T.6 · Compliance Manager	1,938.00	11,770.50	13,700.00	(1,929.50)	85.92%
2.T.7 · Operations Manager	2,350.25	10,329.25	41,100.00	(30,770.75)	25.13%
2.T.8 · Operations Support Specialist	1,810.00	3,095.00	27,000.00	(23,905.00)	11.46%
2.T.9 · Project Controls/Fin Affairs Coordinator	8,732.00	25,937.00	115,400.00	(89,463.00)	22.48%
2.T.11 · Trustee Mgmt. EH Clean Up	27,454.00	72,595.75	218,000.00	(145,404.25)	33.30%
2.T.12 · Trustee Land Use & Re-use	118.00	20,532.00	29,500.00	(8,968.00)	69.60%
2.T.13 · Trustee Travel and Directs	4,107.99	4,107.99	12,000.00	(7,892.01)	34.23%
Total 2.T · Trustee Management & Support Total	56,508.74	186,527.10	512,700.00	(326,172.90)	36.38%
Total East Helena expenses	298,490.52	1,148,134.71	\$ 3,872,000.00	\$ (2,723,865.29)	29.65%
Change in net assets	58,999.45	218,815.90			
Net assets, beginning of period	49,754,064.34	49,594,247.89 ⁽¹⁾			
Net assets, end of period	\$ 49,813,063.79	\$ 49,813,063.79			

(1) 12/31/2016 net assets restated by \$18,059.01 for expenses incurred in 2016 but not received and recorded until after distribution of 2016 financial statements

Montana Environmental Custodial Trust
Summary East Helena Clean-up Account
SUMMARY STATEMENTS OF ACTIVITIES
For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Rental/Lease Income	\$ -	\$ 131,917.00			
Investment activity, net of fees	155,802.83	829,883.33			
Unrealized gains (losses)	201,687.14	405,150.28			
Total revenues (losses)	357,489.97	1,366,950.61			
Expenses:					
2.B · General Site Operations	5,386.45	33,506.88	108,100.00	(74,593.12)	31.00%
2.C · Waste Disposal	-	-	6,300.00	(6,300.00)	0.00%
2.D · Slag Pile Reprocessing	-	-	11,800.00	(11,800.00)	0.00%
2.E · Tenants	-	-	5,700.00	(5,700.00)	0.00%
2.F · RCRA Compliance	12,716.74	25,291.63	566,300.00	(541,008.37)	4.47%
2.I · Risk Assessment	939.06	1,907.28	50,000.00	(48,092.72)	3.81%
2.J · RCRA Corrective Action Implementation	204,891.07	832,307.69	2,397,700.00	(1,565,392.31)	34.71%
2.K · Documents & Records	2,268.15	8,216.90	39,300.00	(31,083.10)	20.91%
2.M · CERCLA Compliance	1,526.25	6,275.12	34,400.00	(28,124.88)	18.24%
2.N · Financial Affairs	6,020.63	20,550.18	30,000.00	(9,449.82)	68.50%
2.O · Redevelopment	-	2,508.00	15,000.00	(12,492.00)	16.72%
2.P · Community Relations	-	4,975.00	38,500.00	(33,525.00)	12.92%
2.R · Legal Support	8,233.43	26,068.93	56,200.00	(30,131.07)	46.39%
2.T · Trustee Management & Staff	56,508.74	186,527.10	512,700.00	(326,172.90)	36.38%
Total East Helena expenses	298,490.52	1,148,134.71	\$ 3,872,000.00	\$ (2,723,865.29)	29.65%
Change in net assets	58,999.45	218,815.90			
Net assets, beginning of period	49,754,064.34	49,594,247.89 ⁽¹⁾			
Net assets, end of period	\$ 49,813,063.79	\$ 49,813,063.79			

(1) 12/31/2016 net assets restated by \$18,059.01 for expenses incurred in 2016 but not received and recorded until after distribution of 2016 financial statements

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2017

ASSETS

Current assets

Cash, First Interstate Bank	\$ 165,310.75
Prepaid expenses - DEQ	14,356.62
Due from other cost centers	-
Total current assets	<u>179,667.37</u>

Investments, Pershing Advisory Solutions

Total assets	<u>4,456,416.74</u> <u><u>\$ 4,636,084.11</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 27,097.82
Due to other cost centers	28,375.76
Total current liabilities	<u>55,473.58</u>

Net assets

Total net assets and liabilities	<u>4,580,610.53</u> <u><u>\$ 4,636,084.11</u></u>
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Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 33.70	\$ 164.83			
Investment income, net of fees	16,375.44	45,793.71			
Unrealized gains (losses)	(323.47)	15,231.58			
Total revenues (losses)	16,085.67	61,190.12			
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	2,479.93	8,373.39	\$ 24,605.00	\$ (16,231.61)	34.03%
4.DEQ Direct & Indirect Expenses	2,874.54	4,234.47	6,153.00	(1,918.53)	68.82%
4.1 Total MT DEQ Expenses	5,354.47	12,607.86	30,758.00	(18,150.14)	40.99%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	28,714.51	44,957.67	74,500.00	(29,542.33)	60.35%
WTP Supplies	6,313.40	30,967.06	46,100.00	(15,132.94)	67.17%
4.B Material, Supplies & Chemicals	35,027.91	75,924.73	120,600.00	(44,675.27)	62.96%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	15,760.50	64,997.25	72,500.00	(7,502.75)	89.65%
1-62102-02 GETG Trustee Oversight	3,487.00	10,738.00	17,000.00	(6,262.00)	63.16%
1-62102-22 WTP Technician/Operator	19,949.25	60,927.66	115,000.00	(54,072.34)	52.98%
4.C Operating Labor	39,196.75	136,662.91	204,500.00	(67,837.09)	66.83%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	9,709.64	19,366.32	28,250.00	(8,883.68)	68.55%
1-62891 Handyman Charges	109.00	1,082.25	7,500.00	(6,417.75)	14.43%
1-62102-51 Accounting Services (Wipfli)	1,735.65	3,958.18	5,000.00	(1,041.82)	79.16%
1-62243 Weed Control	-	-	1,200.00	(1,200.00)	0.00%
4.D Other Professional Services/Labor	11,554.29	24,406.75	41,950.00	(17,543.25)	58.18%
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	4,315.50	9,364.00	11,000.00	(1,636.00)	85.13%
1-62106-02 Linda Tangen Data Validation (O&M)	1,222.50	1,776.70	3,500.00	(1,723.30)	50.76%
1-62106-04 Energy Lab Testing (Pilot Test/Cell 7)	-	-	3,600.00	(3,600.00)	0.00%
4.E WTP Operations - Analytical	5,538.00	11,140.70	18,100.00	(6,959.30)	61.55%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	2,280.00	2,832.00	10,900.00	(8,068.00)	25.98%
1-62371 Telephone	793.97	3,022.90	6,200.00	(3,177.10)	48.76%
1-62601 Electricity	14,972.66	41,883.60	62,200.00	(20,316.40)	67.34%
1-62605 Water & Sewage	-	400.00	2,500.00	(2,100.00)	16.00%
1-62606 Garbage & Trash	380.30	1,125.90	1,800.00	(674.10)	62.55%
1-62607 Propane	12.16	78.16	16,300.00	(16,221.84)	0.48%
4.F WTP Operations - Utilities	18,439.09	49,342.56	99,900.00	(50,557.44)	49.39%
4.H Projects & Construction					
1-62102-01 · Unforeseen Breakdowns and Repair Response Funds	2,841.78	18,251.21	20,000.00	(1,748.79)	91.26%
1-62102-52 · UBMC Cell 7 Feasibility Study - Drake Water Technologies	17,040.00	17,040.00	30,000.00	(12,960.00)	56.80%
1-62102-204 Health & Safety Compliance	-	168.30	2,000.00	(1,831.70)	8.42%
1-63113-03 Spare Parts	10,877.94	24,043.04	25,000.00	(956.96)	96.17%
1-63113-21 Purchase replacement 316 stainless steel Goulds CMF Pump	9,374.94	36,878.18	40,000.00	(3,121.82)	92.20%
1-63113-37 Upper Seep Expansion	-	-	49,500.00	(49,500.00)	0.00%
1-63113-39 Cell 4 and Cell A Removal Activities to Support MDEQ	-	-	-	-	0.00%
1-63113-40 Remediation Prep Tasks	5,859.00	10,171.49	12,400.00	(2,228.51)	82.03%
1-63113-41 Trust Support for Remediation Activities	4,605.00	4,782.75	9,500.00	(4,717.25)	50.34%
1-62102-233 · Building Repairs (Corrosion Damage)	-	-	-	-	0.00%
1-63113-304 - Mike Horse Remediation Coordination (WTS)	237.00	2,212.00	4,740.00	(2,528.00)	46.67%
1-63113-46 - Install PLC Remote I/O and Ether Net Cable in Reagent	-	14,977.00	15,000.00	(23.00)	99.85%
1-63113-48 - Fabricate & install sheet metal enclosures on Cell 7 exposed	-	-	3,200.00	(3,200.00)	0.00%
1-63113-49 - Purchase replacement snow plow for 924 loader	-	19,380.00	20,000.00	(620.00)	96.90%
1-63113-50 - Install wildlife fence around perimeter of Cell 7	-	-	-	-	0.00%
1-62102-50 · Advertise, Interview & Train Part-time WTP Operator	-	-	-	-	0.00%
1-63113-51 - Purchase larger high pressure washer (20Hp) and jetting	-	-	5,360.00	(5,360.00)	0.00%
1-63113-52 - Modify sludge bin with hinged cover	-	7,493.23	7,500.00	(6.77)	99.91%
1-63113-53 - Reconfigure 300' vault piping for conveyance line cleaning with "pigs" & install 3" flow meter on redundant line and contractor for conveyance line pigging**	-	-	-	-	0.00%
1-63113-54 - Install Equipment and Programming for WTP Emergency Shutdown	-	-	-	-	0.00%
1-63113-55 - Purchase and Install Propeller Mixer on Sodium Feed Tank	3,334.67	3,334.67	4,600.00	(1,265.33)	72.49%

See Accountant's Compilation Report

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
1-63113-56 - Install Equipment and Programming for WTP Seasonal Shutdown	-	-	-	-	0.00%
4.H Projects & Construction	54,170.33	158,731.87	248,800.00	(90,068.13)	63.80%
4.2 Total Other Expenses	163,926.37	456,209.52	733,850.00	(277,640.48)	62.17%
Total expenses	169,280.84	468,817.38	764,608.00	(295,790.62)	61.31%
Change in net assets	(153,195.17)	(407,627.26)	<u>\$ (764,608.00)</u>	<u>\$ 295,790.62</u>	<u>53.31%</u>
Net assets, beginning of period	4,733,805.70	4,988,237.79			
Net assets, end of period	<u>\$ 4,580,610.53</u>	<u>\$ 4,580,610.53</u>			

Montana Environmental Custodial Trust

Black Pine Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2017

ASSETS

Current assets

Cash, First Interstate Bank	\$ 26,276.20
Money Market	36,028.59
Prepaid expenses - DEQ	<u>1,026,056.86</u>
Total current assets	1,088,361.65

Investments, Pershing Advisory Solutions

<u>11,785,951.28</u>
<u><u>\$ 12,874,312.93</u></u>

Total assets

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,879.29
Due to other cost centers	<u>-</u>
Total current liabilities	2,879.29

Net assets

<u>12,871,433.64</u>
<u><u>\$ 12,874,312.93</u></u>

Total net assets and liabilities

Montana Environmental Custodial Trust
Black Pine Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 2,667.50	\$ 11,836.14			
Interest Income - MM	44.07	149.86			
Investment income, net of fees	47,579.74	140,559.90			
Unrealized gains (losses)	(3,516.36)	36,730.60			
Total revenues (losses)	46,774.95	189,276.50			
Expenses:					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	-	39.50	\$ 1,000.00	\$ (960.50)	3.95%
2-2-02 Trustee Services/Expenses-GETG	310.00	680.00	5,000.00	(4,320.00)	13.60%
2-2-03 Mine Maintenance/Security	4,557.00	12,369.00	16,926.00	(4,557.00)	73.08%
2-2-04 Generator Maintenance	-	-	4,000.00	(4,000.00)	0.00%
2-2-51 Accounting Services	413.24	968.97	5,000.00	(4,031.03)	19.38%
2-62401 Mileage	566.04	1,535.19	2,266.65	(731.46)	67.73%
2-62405 Snowmobile	-	675.02	907.50	(232.48)	74.38%
5.1.1 Utilities					
2-62601 Electricity	1,463.66	4,647.08	6,500.00	(1,852.92)	71.49%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1 Utilities Total	1,463.66	4,647.08	9,340.00	(4,692.92)	49.75%
5.1 Trustee Costs Total	7,309.94	20,914.76	44,440.15	(23,525.39)	47.06%
5.2 DEQ Costs	359,508.98	500,107.83 ⁽¹⁾	3,373,296.82	(2,873,188.99)	14.83%
Total expenses	366,818.92	521,022.59	3,417,736.97	(2,896,714.38)	15.24%
Change in net assets	(320,043.97)	(331,746.09)	\$ (3,417,736.97)	\$ 2,896,714.38	9.71%
Net assets, beginning of period	13,191,477.61	13,203,179.73			
Net assets, end of period	\$ 12,871,433.64	\$ 12,871,433.64			

(1) See the supplemental schedule provided by the Montana Department of Environmental Quality for details of 5.2 DEQ Costs

Black Pine Mine Custodial Trust Expense Tracking

Budget Request 2017		Personnel	Fringe	Travel	Equipment	Supplies	Consultants	Construction	Other	Total Direct	Indirect	Totals
		\$ 63,327.00	\$ 22,145.00	\$ 13,854.00	\$ 2,500.00	\$ -	\$ 487,613.00	\$ 2,735,221.00	\$ 8,425.00	\$ 3,333,085.00	\$ 40,212.00	\$ 3,373,297.00
	Jan-Mar 2017	\$ 14,239.67	\$ 5,105.74	\$ 325.93	\$ -	\$ -	\$ 37,059.03	\$ -	\$ 626.69	\$ 57,357.06	\$ 8,090.30	\$ 65,447.36
	Apr-Jun 2017	\$ 17,358.99	\$ 6,288.25	\$ 203.16	\$ -	\$ 22.98	\$ 44,443.81	\$ -	\$ 705.39	\$ 69,022.58	\$ 6,128.91	\$ 75,151.49
	July-Sep 2017	\$ 11,620.21	\$ 4,344.21	\$ -	\$ -	\$ -	\$ 14,367.83	\$ 314,589.11	\$ 513.48	\$ 345,434.84	\$ 14,074.14	\$ 359,508.98
	Oct-Dec 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses 2017		\$ 43,218.87	\$ 15,738.20	\$ 529.09	\$ -	\$ 22.98	\$ 95,870.67	\$ 314,589.11	\$ 1,845.56	\$ 471,814.48	\$ 28,293.35	\$ 500,107.83
2017 Budget request balance remaining		\$ 20,108.13	\$ 6,406.80	\$ 13,324.91	\$ 2,500.00	\$ (22.98)	\$ 391,742.33	\$ 2,420,631.89	\$ 6,579.44	\$ 2,861,270.52	\$ 11,918.65	\$ 2,873,189.17

Montana Environmental Custodial Trust
Iron Mountain Clean-up Account

STATEMENT OF FINANCIAL POSITION

As of September 30, 2017

ASSETS

Current assets

Cash	\$ 185.52
Prepaid expenses - DEQ	120,093.25
Total current assets	<u>120,278.77</u>

Investments, Pershing Advisory Solutions

263,875.04

Total assets	<u><u>\$ 384,153.81</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 487.00
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Net assets

383,666.81

Total net assets and liabilities	<u><u>\$ 384,153.81</u></u>
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Montana Environmental Custodial Trust
Iron Mountain Clean-up Account

STATEMENTS OF ACTIVITIES

For the quarter and period ending September 30, 2017

	3rd Qtr	YTD	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 746.06	\$ 7,484.30			
Investment income, net of fees	697.54	1,722.76			
Unrealized gains (losses)	(208.00)	(413.50)			
Total revenues (losses)	<u>1,235.60</u>	<u>8,793.56</u>			
Expenses:					
VI.A Clean-up Activities					
VI.A.1 GETG Trustee Fees	118.00	487.00	\$ 7,602.00	\$ (7,115.00)	6.41%
VI.A.2 GETG/Trustee Expenses	-	-	250.00	(250.00)	0.00%
VI.A Total Clean-up Activities	<u>118.00</u>	<u>487.00</u>	<u>7,852.00</u>	<u>(7,365.00)</u>	<u>6.20%</u>
VI.C Legal Affairs					
VI.C.1 Outside Counsel	-	-	2,000.00	(2,000.00)	0.00%
VI.C Total Legal Affairs	<u>-</u>	<u>-</u>	<u>2,000.00</u>	<u>(2,000.00)</u>	<u>0.00%</u>
VI.D Financial Affairs					
VI.D.1 Wipfli Fees & Expenses	18.00	18.00	1,800.00	(1,782.00)	1.00%
VI.D Total Financial Affairs	<u>18.00</u>	<u>18.00</u>	<u>1,800.00</u>	<u>(1,782.00)</u>	<u>1.00%</u>
VI.E MDEQ Environmental Actions and Oversight Costs					
VI.E.1 MDEQ Environmental Actions and Oversight Costs	693,430.15	1,295,316.36	1,407,925.31	(112,608.95)	92.00%
VI.E Total MDEQ Environmental Actions and Oversight Costs	<u>693,430.15</u>	<u>1,295,316.36</u>	<u>1,407,925.31</u>	<u>(112,608.95)</u>	<u>92.00%</u>
Total expenses	<u>693,566.15</u>	<u>1,295,821.36</u>	<u>1,419,577.31</u>	<u>(123,755.95)</u>	<u>91.28%</u>
Change in net assets	<u>(692,330.55)</u>	<u>(1,287,027.80)</u>	<u>\$ (1,419,577.31)</u>	<u>\$ 123,755.95</u>	<u>90.66%</u>
Net assets, beginning of period	1,075,997.36	1,670,694.61			
Net assets, end of period	<u>\$ 383,666.81</u>	<u>\$ 383,666.81</u>			